

<i>SERFF Tracking Number:</i>	<i>WESA-125802657</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arch Insurance Company</i>	<i>State Tracking Number:</i>	<i>#30599 \$50</i>
<i>Company Tracking Number:</i>	<i>ARCH-08-201-F</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>GAP Program</i>		
<i>Project Name/Number:</i>	<i>Submission of New Endorsements and Rating Exception/ARCH-08-201</i>		

Filing at a Glance

Company: Arch Insurance Company	SERFF Tr Num: WESA-125802657	State: Arkansas
Product Name: GAP Program	SERFF Status: Closed	State Tr Num: #30599 \$50
TOI: 17.2 Other Liability - Occurrence Only	Co Tr Num: ARCH-08-201-F	State Status: Fees verified and received
Sub-TOI: 17.2022 Other		
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts
	Author: Westmont Associates	Disposition Date: 09/19/2008
	Date Submitted: 09/05/2008	Disposition Status: Approved
Effective Date Requested (New):		Effective Date (New):
Effective Date Requested (Renewal): On Approval		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: Submission of New Endorsements and Rating Exception	Status of Filing in Domicile: Pending
Project Number: ARCH-08-201	Domicile Status Comments: Pending in Missouri
Reference Organization: None	Reference Number: None
Reference Title: None	Advisory Org. Circular: None
Filing Status Changed: 09/19/2008	
State Status Changed: 09/19/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Enclosed please find Arch Insurance Company's (Arch) Guaranteed Auto Protection (GAP) endorsements and rating rule filing to be used with the Company's currently approved GAP program. The filing contained herein constitutes a filing of new materials for Arch and does not have any impact on any current insureds or policies. A letter permitting Westmont Associates, Inc. to submit this filing on Arch's behalf is enclosed.

Please find enclosed the following endorsements for your review and approval:

<i>SERFF Tracking Number:</i>	<i>WESA-125802657</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arch Insurance Company</i>	<i>State Tracking Number:</i>	<i>#30599 \$50</i>
<i>Company Tracking Number:</i>	<i>ARCH-08-201-F</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>GAP Program</i>		
<i>Project Name/Number:</i>	<i>Submission of New Endorsements and Rating Exception/ARCH-08-201</i>		

Revised Definition – Unpaid Net Balance Deduction of Unearned Dealer and Lender Fees - AIC-GAP-FEE-CANC(08/08)

Revised Limits of Liability Endorsement - AIC-GAP-LOL 90%(08/08)

Coverage for Loans with Scheduled Non-Uniform Payments - AIC-GAP-PMTS(08/08)

Please refer to the attached filing memorandum for additional information. As these forms are optional, there is no rating impact on current insureds in your jurisdiction.

Your approval or acknowledgement otherwise of this submission is respectfully requested. Thank you for your attention to this matter.

Company and Contact

Filing Contact Information

(This filing was made by a third party - westmontassociatesinc)

Wesley Pohler, AVP	wes@westmontlaw.com
25 Chestnut Street	(856) 216-0220 [Phone]
Haddonfield, NJ 08033	(856) 216-0303[FAX]

Filing Company Information

Arch Insurance Company	CoCode: 11150	State of Domicile: Missouri
300 First Stamford Place	Group Code: 1279	Company Type: Property and Casualty
5th Floor East		
Stamford, CT 06902	Group Name:	State ID Number:
(203) 388-3220 ext. [Phone]	FEIN Number: 43-0990710	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	AR Fee

<i>SERFF Tracking Number:</i>	<i>WESA-125802657</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arch Insurance Company</i>	<i>State Tracking Number:</i>	<i>#30599 \$50</i>
<i>Company Tracking Number:</i>	<i>ARCH-08-201-F</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>GAP Program</i>		
<i>Project Name/Number:</i>	<i>Submission of New Endorsements and Rating Exception/ARCH-08-201</i>		
Per Company:	No		

SERFF Tracking Number: *WESA-125802657* *State:* *Arkansas*
Filing Company: *Arch Insurance Company* *State Tracking Number:* *#30599 \$50*
Company Tracking Number: *ARCH-08-201-F*
TOI: *17.2 Other Liability - Occurrence Only* *Sub-TOI:* *17.2022 Other*
Product Name: *GAP Program*
Project Name/Number: *Submission of New Endorsements and Rating Exception/ARCH-08-201*

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Arch Insurance Company	\$0.00	09/05/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
30599	\$50.00	09/04/2008

SERFF Tracking Number:	WESA-125802657	State:	Arkansas
Filing Company:	Arch Insurance Company	State Tracking Number:	#30599 \$50
Company Tracking Number:	ARCH-08-201-F		
TOI:	17.2 Other Liability - Occurrence Only	Sub-TOI:	17.2022 Other
Product Name:	GAP Program		
Project Name/Number:	Submission of New Endorsements and Rating Exception/ARCH-08-201		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	09/19/2008	09/19/2008

<i>SERFF Tracking Number:</i>	<i>WESA-125802657</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arch Insurance Company</i>	<i>State Tracking Number:</i>	<i>#30599 \$50</i>
<i>Company Tracking Number:</i>	<i>ARCH-08-201-F</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>GAP Program</i>		
<i>Project Name/Number:</i>	<i>Submission of New Endorsements and Rating Exception/ARCH-08-201</i>		

Disposition

Disposition Date: 09/19/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125802657 State: Arkansas

Filing Company: Arch Insurance Company State Tracking Number: #30599 \$50

Company Tracking Number: ARCH-08-201-F

TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2022 Other

Product Name: GAP Program

Project Name/Number: Submission of New Endorsements and Rating Exception/ARCH-08-201

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Letter of Authorization	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Filing Memo	Approved	Yes
Form	Revised Definition – Unpaid Net Balance Deduction of Unearned Dealer and Lender Fees	Approved	Yes
Form	Revised Limits of Liability Endorsement	Approved	Yes
Form	Coverage for Loans with Scheduled Non-Uniform Payments	Approved	Yes

SERFF Tracking Number: WESA-125802657 State: Arkansas

Filing Company: Arch Insurance Company State Tracking Number: #30599 \$50

Company Tracking Number: ARCH-08-201-F

TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2022 Other

Product Name: GAP Program

Project Name/Number: Submission of New Endorsements and Rating Exception/ARCH-08-201

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Revised Definition – Unpaid Net Balance Deduction of Unearned Dealer and Lender Fees	AIC-GAP- FEE- CANC	08 08	Endorseme New nt/Amendm ent/Condi ti ons		0.00	AIC-GAP- FEE CANC(0808) .pdf
Approved	Revised Limits of Liability Endorsement	AIC-GAP- LOL 90%	08 08	Endorseme New nt/Amendm ent/Condi ti ons		0.00	AIC-GAP- LOL90%(08 08).pdf
Approved	Coverage for Loans with Scheduled Non-Uniform Payments	AIC-GAP- PMTS	08 08	Endorseme New nt/Amendm ent/Condi ti ons		0.00	AIC-GAP- PMTS(0808) .pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REVISED DEFINITION – UNPAID NET BALANCE
DEDUCTION OF UNEARNED DEALER AND LENDER FEES**

In consideration of a reduced rate, **You** and **We** agree that Definition K of this policy and the revision to Definition K contained in any endorsement, if attached to this policy, is hereby removed in its entirety and replaced by the following:

K. UNPAID NET BALANCE: The amount owed to the **Insured** by a **Borrower**, resulting from early termination of the **Financing Contract**, and subject to the terms and conditions stated in the **Financing Contract**. This amount may not include any unearned interest; lease or loan charges; late charges; any **Delinquent Payments**; any uncollected service charges; refundable prepaid taxes and fees; the unearned portion of fees charged by dealers or lenders for GAP waivers; or any other proceeds you may duly recover by canceling insurance coverages, service contracts or warranties; disposition fees, termination fees, penalty fees, or other items built into or added to the initial lease or loan balance.

All other provisions and conditions remain unchanged.

(The information below is required only when this endorsement is issued or effective subsequent to the preparation of the policy to which it is to be attached.)

Attached to Policy _____ Effective _____

Named Insured _____

Issued _____ Authorized Representative _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REVISED LIMITS OF LIABILITY ENDORSEMENT

In consideration of a reduced rate, **You** and **We** agree that Items B and C of the Limits of Liability are removed and replaced by the following:

- B.** If the collateral is protected by a **Primary Carrier**; the amount obtained by subtracting from the **Unpaid Net Balance** the greater of:
1. Ninety percent (90%) of the NADA retail value of the **Covered Vehicle** at the time of loss including appropriate adjustments for mileage, and additional equipment not including any amount by which the primary deductible exceeds the amount shown as the **Maximum Deductible Buyback** on the DECLARATIONS, or
 2. The primary insurance settlement which includes any applicable deductibles not including any amount by which the primary deductible exceeds the amount shown as the **Maximum Deductible Buyback** on the DECLARATIONS. If a portion of the **Covered Vehicle** is uninsured, the value of that portion shall be added to the primary insurance settlement. Any unrepaired prior damage will be added to the primary settlement and if the **Borrower** or **Insured** retains the salvage, the value of the salvage shall be added to the primary settlement. The total will then be subtracted from the **Unpaid Net Balance**;
- C.** If the collateral is not protected by a **Primary Carrier**; the amount obtained by subtracting from the **Unpaid Net Balance** the amount obtained in accordance with B1 above.

All other provisions and conditions remain unchanged.

(The information below is required only when this endorsement is issued or effective subsequent to the preparation of the policy to which it is to be attached.)

Attached to Policy _____ Effective _____

Named Insured _____

Issued _____ Authorized Representative _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR LOANS WITH SCHEDULED NON-UNIFORM PAYMENTS

In consideration of an additional premium charge, **You** and **We** agree that CONDITIONS B (2) is hereby removed in its entirety and replaced by the following:

(2) the Financing Contract is:

- a. a **Balloon Note Loan**, or
- b. a **Financing Contract** that does not have specific scheduled payments for the full period of the agreement.

Loans having specific non-uniform scheduled payments for the full period of the agreement that are not **Balloon Note Loans** are eligible for coverage if (1) the loan was reported to **US** as having specific scheduled monthly non-uniform payments in a reporting manner specified by **Us** and (2) the premium specified by **Us** for loans with non-uniform specific scheduled payments is paid within the time specified for payment of premium in accordance with **Condition F** of this policy. For the purpose of loss settlement, loans that have non-uniform specific scheduled payments shall be amortized in accordance with the amortization schedule specified in the **Financing Contract**.

A **Balloon Note Loan** is defined as a loan with a final (balloon) payment in excess of any prior scheduled payment

(The information below is required only when this endorsement is issued or effective subsequent to the preparation of the policy to which it is to be attached.)

Attached to Policy:

Effective:

Named Insured:

Date issued

Authorized Representative

<i>SERFF Tracking Number:</i>	<i>WESA-125802657</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Arch Insurance Company</i>	<i>State Tracking Number:</i>	<i>#30599 \$50</i>
<i>Company Tracking Number:</i>	<i>ARCH-08-201-F</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>GAP Program</i>		
<i>Project Name/Number:</i>	<i>Submission of New Endorsements and Rating Exception/ARCH-08-201</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125802657 State: Arkansas
Filing Company: Arch Insurance Company State Tracking Number: #30599 \$50
Company Tracking Number: ARCH-08-201-F
TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2022 Other
Product Name: GAP Program
Project Name/Number: Submission of New Endorsements and Rating Exception/ARCH-08-201

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 09/19/2008

Comments:

Attached is the NAIC formset.

Attachment:

NAIC - Forms.pdf

Satisfied -Name: Letter of Authorization **Review Status:** Approved 09/19/2008

Comments:

Attached is the letter of authorization

Attachment:

2008 Use this Letter.pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 09/19/2008

Comments:

Attached is the cover.

Attachment:

Cover Letter ARCH-08-201-F.pdf

Satisfied -Name: Filing Memo **Review Status:** Approved 09/19/2008

Comments:

Attached is the memo.

Attachment:

Arch Insurance Company endorsement filing 2008-08.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name					Group NAIC #
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #	

5. Company Tracking Number	
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
7. Signature of authorized filer				
8. Please print name of authorized filer				

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)				
10. Sub-Type of Insurance (Sub-TOI)				
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]				
12. Company Program Title (Marketing title)				
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
14. Effective Date(s) Requested	New:		Renewal:	
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
16. Reference Organization (if applicable)				
17. Reference Organization # & Title				
18. Company's Date of Filing				
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<div data-bbox="118 1270 263 1337"> <p>Check #:</p> <p>Amount:</p> </div> <div data-bbox="89 1593 1505 1675"> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p> </div>	

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #				
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1



One Liberty Plaza
53rd Floor
New York, NY 10006

T 212.651.6500
F 212.651.6499

January 1, 2008

Arch Insurance Company
NAIC: #11150
Letter of Authorization
Filing of Forms, Rates and Rules

Dear Sir or Madame:

In accordance with the applicable statutes and regulations in your state, Wesley Pohler and Westmont Associates are hereby authorized to file form, rate and rate filings on behalf of Arch Insurance Company.

Very truly yours,



Carol Kennedy
Vice President & Director of Compliance

September 4, 2008

The Department of Insurance
Property and Casualty Division
Forms and Rates Review

RE: Arch Insurance Company NAIC# 11150 FEIN 43-0990710
Guaranteed Auto Protection (GAP) Product
Endorsements Submission
Company Filing Number: ARCH-08-201-F
Effective Date: Upon Earliest Possible Approval and/or Acknowledgement

To Whom It May Concern:

Enclosed please find Arch Insurance Company's (Arch) Guaranteed Auto Protection (GAP) endorsements filing to be used with the Company's currently approved GAP program. The filing contained herein constitutes a filing of new materials for Arch and does not have any impact on any current insureds or policies. A letter permitting Westmont Associates, Inc. to submit this filing on Arch's behalf is enclosed.

Please find enclosed the following endorsements for your review and approval:

- Revised Definition – Unpaid Net Balance Deduction of Unearned Dealer and Lender Fees - **AIC-GAP-FEE-CANC(08/08)**
- Revised Limits of Liability Endorsement - **AIC-GAP-LOL 90%(08/08)**
- Coverage for Loans with Scheduled Non-Uniform Payments - **AIC-GAP-PMTS(08/08)**

Please refer to the attached filing memorandum for additional information. As these forms are optional, there is no rating impact on current insureds in your jurisdiction.

The rating rule to be used in coordination with the enclosed forms has been filed under separate cover letter as Company filing number ARCH-08-201-R.

Your approval or acknowledgement otherwise of this submission is respectfully requested. Thank you for your attention to this matter.

Respectfully submitted,

Wesley Pohler

Wesley Pohler

AVP

wes@westmontlaw.com

Enc.

Cc: M. O'Brien
C. Kennedy

Arch Insurance Company (“ARCH”) Rate Filing Memorandum

Guaranteed Auto Protection (GAP) Program

Arch Insurance Company (ARCH) is filing two additional coverage levels to our existing Guaranteed Auto Protection (GAP) Program. Due to changes in the market place, a demand has developed for additional coverage levels to provide a more flexible program.

- AIC-GAP-FEE CANC (08/08) modifies the definition of unpaid balance. Under GAP insurance the policyholder the auto lender who has issued GAP waivers (debt cancellation contracts). It is typical for lenders to charge fees to borrowers when selling GAP waivers. Those fees generally exceed the cost of insurance. This endorsement allows the carrier to deduct the unearned portion of those fees from the loss settlement paid to the lender. The lender must still waive the debt balance in accordance with the provisions of the GAP waiver but has to bear that portion of GAP loss that is represented by the unearned fees.
- AIC-GAP-LOL 90% (08/08) replaces the limits of liability section of our existing policy. Current vehicle market conditions have rendered used vehicle reference guides less reliable than in the past. Primary insurers are routinely settling losses based on market value of vehicles that are well below the values established by the National Auto Dealers Association, Kelly Blue Book and other well recognized vehicle value sources. In fact, anecdotal comments suggest a tendency for primary physical damage insurers to settle for less based on the existence of GAP insurance. This endorsement allows the GAP carrier to base loss settlement on the greater of the primary loss settlement or the 90% of the NADA Used Vehicle Guide retail value as of the date of loss. Hence, should the primary carrier settle for less than 90% of the NADA Guide retail value, (which considers mileage and accessories), the loss settlement paid to the lender would be based on 90% of the NADA Guide retail value.
- AIC-GAP-PMTS(08/08) allows coverage for loans with non-uniform payment schedules. For purposes of loss settlements, the loan shall be

amortized in accordance with the amortization schedule specified in the financing contract if:

- The financing contract is a loan with specific monthly non-uniform payments scheduled throughout the loan term in the finance contract, and
- The loan was reported to us as having specific scheduled monthly non-uniform payments.

All of the above endorsements are optional and are chosen by the insured commercial lender in return for a revised GAP rate. As all of these endorsements potentially change the amount of individual claim payments, ARCH developed appropriate credits and surcharges by reevaluating claims paid from 1999 through 2006 as if these endorsements had been in place. Based on this analysis, the credit for AIC-GAP-FEE CANC (08/08) is 8% and the credit for AIC-GAP-LOL 90% (0/08) is 2.5%. The surcharge for AIC-GAP-PMTS(08/08) is 35%.

All other rates and rules remain unchanged.